



Senate

File No. 826

General Assembly

January Session, 2005

(Reprint of File No. 381)

Substitute Senate Bill No. 1
As Amended by Senate Amendment
Schedule "A" and House Amendment
Schedule "A"

Approved by the Legislative Commissioner
June 1, 2005

AN ACT CREATING THE OFFICE OF STATE ETHICS AND THE CITIZEN'S ETHICS ADVISORY BOARD.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (d) of section 1-79 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (d) ["Commission" means the State Ethics Commission] "Board"
5 means the Citizen's Ethics Advisory Board established in section 1-80,
6 as amended by this act.

7 Sec. 2. Section 1-80 of the general statutes is repealed and the
8 following is substituted in lieu thereof (*Effective July 1, 2005*):

9 (a) There shall be [a State Ethics Commission consisting of nine
10 members to be appointed with the advice and consent of the General
11 Assembly. One member] an Office of State Ethics that shall be an
12 independent state agency and shall constitute a successor agency to the

13 State Ethics Commission, in accordance with the provisions of sections
14 4-38d and 4-39. Such office shall consist of an executive director,
15 general counsel, ethics enforcement officer and such other staff as
16 hired by such executive director. Within the Office of State Ethics,
17 there shall be the Citizen's Ethics Advisory Board that shall consist of
18 nine members, appointed as follows: One member shall be appointed
19 by the speaker of the House, one member by the president pro
20 tempore of the Senate, one member by the majority leader of the
21 Senate, one member by the minority leader of the Senate, one member
22 by the majority leader of the House of Representatives, one member by
23 the minority leader of the House of Representatives, and three
24 members by the Governor. Members of the commission shall serve for
25 four-year terms which shall commence on [October first] October 1,
26 2005, except that members first appointed shall have the following
27 terms: The Governor shall appoint two members for a term of three
28 years and one member for a term of four years; the majority leader of
29 the House [or] of Representatives, minority leader of the House of
30 Representatives and the speaker of the House of Representatives shall
31 each appoint one member for a term of two years; the president pro
32 tempore of the Senate, the majority leader of the Senate and the
33 minority leader of the Senate shall each appoint one member for a term
34 of four years. No individual shall be appointed to more than one four-
35 year term as a member of such [commission] board, provided that
36 members may not continue in office [until a successor has been
37 appointed and qualified] once their term has expired and members
38 first appointed may not be reappointed. No more than five members
39 shall be members of the same political party. The members appointed
40 by the majority leader of the Senate and the majority leader of the
41 House of Representatives shall be selected from a list of nominees
42 proposed by a citizen group having an interest in ethical government.
43 The majority leader of the Senate and the majority leader of the House
44 of Representatives shall each determine the citizen group from which
45 each will accept such nominations. [On and after October 1, 2004, one]
46 One member appointed by the Governor shall be selected from a list of
47 nominees proposed by a citizen group having an interest in ethical

48 government. The Governor shall determine the citizen group from
49 which the Governor will accept such nominations.

50 (b) All members shall be electors of the state. No member shall be a
51 state employee. No member or employee of such [commission] board
52 shall (1) hold or campaign for any public office; (2) have held public
53 office or have been a candidate for public office for a three-year period
54 prior to appointment; (3) hold office in any political party or political
55 committee or be a member of any organization or association
56 organized primarily for the purpose of influencing legislation or
57 decisions of public agencies; or (4) be an individual who is a registrant
58 as defined in subsection (q) of section 1-91.

59 (c) Any vacancy on the [commission] board shall be filled [for the
60 unexpired portion of the term] by the appointing authority having the
61 power to make the original appointment. An individual selected by the
62 appointing authority to fill a vacancy shall be eligible for appointment
63 to one full four-year term thereafter. Any vacancy occurring on the
64 [commission] board shall be filled within thirty days.

65 (d) The [commission] board shall elect a chairperson who shall,
66 except as provided in subsection (b) of section 1-82, as amended by this
67 act, and subsection (b) of section 1-93, as amended by this act, preside
68 at meetings of the [commission] board and a vice-chairperson to
69 preside in the absence of the chairperson. Six members of the
70 [commission] board shall constitute a quorum. Except as provided in
71 subdivision (3) of subsection (a) of section 1-81, as amended by this act,
72 subsections (a) and (b) of section 1-82, as amended by this act,
73 subsection (b) of section 1-88, as amended by this act, subdivision (5) of
74 section 1-92, as amended by this act, subsections (a) and (b) of section
75 1-93, as amended by this act, and subsection (b) of section 1-99, a
76 majority vote of the [quorum] members shall be required for action of
77 the [commission] board. The chairperson or any [five] three members
78 may call a meeting.

79 (e) Any matter before the [commission] board, except hearings held

80 pursuant to the provisions of subsection (b) of section 1-82, as
81 amended by this act, or subsection (b) of section 1-93, as amended by
82 this act, may be assigned by the [commission] board to two of its
83 members to conduct an investigation or hearing, as the case may be, to
84 ascertain the facts and report thereon to the [commission] board with a
85 recommendation for action.

86 (f) Members of the [commission] board shall be compensated at the
87 rate of fifty dollars per day for each day they attend a meeting or
88 hearing and shall receive reimbursement for their necessary expenses
89 incurred in the discharge of their official duties.

90 (g) The [commission] board shall not be construed to be a board or
91 commission within the meaning of section 4-9a, as amended by this
92 act.

93 (h) The members and employees of the [State Ethics Commission]
94 Citizen's Ethics Advisory Board and the Office of State Ethics shall
95 adhere to the following code of ethics under which the members and
96 employees shall: (1) Observe high standards of conduct so that the
97 integrity and independence of the [State Ethics Commission] Citizen's
98 Ethics Advisory Board and the Office of State Ethics may be preserved;
99 (2) respect and comply with the law and conduct themselves at all
100 times in a manner which promotes public confidence in the integrity
101 and impartiality of the [commission] board and the Office of State
102 Ethics; (3) be faithful to the law and maintain professional competence
103 in the law; (4) be unswayed by partisan interests, public clamor or fear
104 of criticism; (5) maintain order and decorum in proceedings of the
105 [commission] board and Office of State Ethics; (6) be patient, dignified
106 and courteous to all persons who appear in [commission] board or
107 Office of State Ethics proceedings and with other persons with whom
108 the members and employees deal in their official capacities; (7) refrain
109 from making any statement outside of a [commission] board or Office
110 of State Ethics proceeding, which would have a likelihood of
111 prejudicing a [commission] board or Office of State Ethics proceeding;
112 (8) refrain from making any statement outside of a [commission] board

113 or Office of State Ethics proceeding that a reasonable person would
114 expect to be disseminated by means of public communication if the
115 member or employee should know that such statement would have a
116 likelihood of materially prejudicing or embarrassing a complainant or
117 a respondent; (9) preserve confidences of complainants and
118 respondents; (10) exercise independent professional judgment on
119 behalf of the [commission] board and Office of State Ethics; and (11)
120 represent the [commission] board and Office of State Ethics
121 competently.

122 (i) No member or employee of the board or Office of State Ethics
123 may make a contribution, as defined in section 9-333b, to any person
124 subject to the provisions of this part.

125 (j) Members of the board shall recuse themselves from participating
126 in any proceeding or matter undertaken pursuant to this chapter that
127 involves the person who appointed such member to the board.

128 (k) No member of the board may represent any business or person,
129 other than themselves, before the board for a period of one year
130 following the end of such member's service on the board. No business
131 or person that appears before the board shall employ or otherwise
132 engage the services of a former member of the board for a period of
133 one year following the end of such former member's service on the
134 board.

135 (l) No member of the board may hold any other position in state
136 employment for a period of one year following the end of such
137 member's service on the board, including, but not limited to, service as
138 a member on a state board or commission, service as a judge of the
139 Superior Court or service as a state agency commissioner.

140 (m) Upon request of any aggrieved party, the board shall delay the
141 effect of any decision rendered by such board for a period not to
142 exceed more than seven days following the rendering of such decision.

143 Sec. 3. Section 1-81 of the general statutes is repealed and the

144 following is substituted in lieu thereof (*Effective July 1, 2005*):

145 (a) The [commission] board and general counsel and staff of the
146 Office of State Ethics shall:

147 (1) Compile and maintain an index of all reports, advisory opinions,
148 informal staff letters, memoranda filed under the provisions of
149 subsection (f) of section 1-82a and statements filed by and with the
150 [commission] Office of State Ethics to facilitate public access to such
151 reports and advisory opinions, informal staff letters, memoranda
152 statements as provided by this part;

153 (2) Preserve advisory opinions and informal staff letters,
154 permanently; preserve memoranda filed under subsection (f) of section
155 1-82a, and statements and reports filed by and with the [commission]
156 board for a period of five years from the date of receipt;

157 (3) Upon the concurring vote of [five of its members] a majority of
158 the board present and voting, issue advisory opinions with regard to
159 the requirements of this part, upon the request of any person subject to
160 the provisions of this part, and publish such advisory opinions in the
161 Connecticut Law Journal. Advisory opinions rendered by the
162 [commission] board, until amended or revoked, shall be binding on the
163 [commission] board and shall be deemed to be final decisions of the
164 [commission] board for purposes of [section 1-87] appeal to the
165 superior court, in accordance with the provisions of section 4-175 or 4-
166 183. Any advisory opinion concerning the person who requested the
167 opinion and who acted in reliance thereon, in good faith, shall be
168 binding upon the [commission] board, and it shall be an absolute
169 defense in any criminal action brought under the provisions of this
170 part, that the accused acted in reliance upon such advisory opinion;

171 [(4) Report annually, prior to April fifteenth, to the Governor
172 summarizing the activities of the commission; and]

173 (4) Respond to inquiries and provide advice regarding the code of
174 ethics either verbally or through informal letters;

175 [(5) Adopt regulations in accordance with chapter 54 to carry out
176 the purposes of this part.]

177 (5) Provide yearly training to all state employees regarding the code
178 of ethics;

179 (6) Make legislative recommendations to the General Assembly and
180 report annually, prior to April fifteenth, to the Governor summarizing
181 the activities of the commission; and

182 (7) Meet not less than once per month with the office's executive
183 director and ethics enforcement officer.

184 (b) The [commission may] Office of State Ethics shall employ an
185 executive director, [and] general counsel and ethics enforcement
186 officer, each of whom shall be exempt from classified state service. The
187 salary for the executive director, general counsel and the ethics
188 enforcement officer shall be determined by the Commissioner of
189 Administrative Services in accordance with accepted personnel
190 practices. No one person may serve in more than one of the positions
191 described in this subsection. The Office of State Ethics may employ
192 necessary staff within available appropriations. Such necessary staff of
193 the Office of State Ethics shall be in classified state service.

194 (c) The executive director, described in subsection (b) of this section,
195 shall be appointed by the Citizen's Ethics Advisory Board for an open-
196 ended term. The board shall annually evaluate the performance of
197 such executive director, in writing, and may remove the executive
198 director, in accordance with the provisions of chapter 67.

199 (d) The general counsel and ethics enforcement officer described in
200 subsection (b) of this section, and other staff of the Office of State
201 Ethics shall be appointed by the executive director of the Office of State
202 Ethics. The executive director shall annually evaluate the performance
203 of the general counsel, ethics enforcement officer and such other staff,
204 in writing, and may remove the general counsel or ethics enforcement
205 officer, in accordance with the provisions of chapter 67, or such other

206 staff, in accordance with any applicable collective bargaining
207 agreement.

208 (e) There shall be a legal division within the Office of State Ethics.
209 The legal division shall provide the board with legal advice on matters
210 before said board and shall represent the board in all matters in which
211 the board is a party, without the assistance of the Attorney General
212 unless the board requests such assistance. The legal division shall,
213 under the direction of the general counsel, provide information and
214 written and verbal opinions to persons subject to the code and to the
215 general public. The general counsel, described in subsection (b) of this
216 section, shall supervise such division. The investigation or instigation
217 of a complaint may not occur solely because of information received by
218 the legal division.

219 (f) There shall be an enforcement division within the Office of State
220 Ethics. The enforcement division shall be responsible for investigating
221 complaints brought to or by the board. The ethics enforcement officer,
222 described in subsection (b) of this section, shall supervise such
223 division. Such division shall employ such attorneys and investigators,
224 as necessary, within available appropriations, and may refer matters to
225 the office of the Chief State's Attorney, as appropriate.

226 (g) The Citizen's Ethics Advisory Board shall adopt regulations in
227 accordance with chapter 54 to carry out the purposes of this part.

228 (h) In consultation with the executive director of the Office of State
229 Ethics, the general counsel shall oversee yearly training of all state
230 personnel in the code of ethics, provide training on the code of ethics
231 to other individuals or entities subject to the code and shall make
232 recommendations as to public education regarding ethics.

233 Sec. 4. Section 1-81a of the general statutes is repealed and the
234 following is substituted in lieu thereof (*Effective July 1, 2005*):

235 (a) Notwithstanding any provision of the general statutes, the
236 appropriations recommended for the [State Ethics Commission] Office

237 of State Ethics, as established in section 1-80, as amended by this act,
238 shall be the estimates of expenditure requirements transmitted to the
239 Secretary of the Office of Policy and Management by the executive
240 director of the [commission] Office of State Ethics and the
241 recommended adjustments and revisions of such estimates shall be the
242 recommended adjustments and revisions, if any, transmitted by said
243 executive director to the Office of Policy and Management.

244 (b) Notwithstanding any provision of the general statutes, the
245 Governor shall not reduce allotment requisitions or allotments in force
246 concerning the [State Ethics Commission] Office of State Ethics.

247 Sec. 5. Section 1-81b of the general statutes is repealed and the
248 following is substituted in lieu thereof (*Effective July 1, 2005*):

249 The [State Ethics Commission] Office of State Ethics shall develop a
250 plain language summary of state ethics laws concerning (1) persons,
251 firms and corporations submitting bids or proposals for state contracts,
252 and (2) state contractors. The [commission] Office of State Ethics shall
253 publish said summary on the [commission's] Office of State Ethics' web
254 site.

255 Sec. 6. Section 1-82 of the general statutes is repealed and the
256 following is substituted in lieu thereof (*Effective July 1, 2005*):

257 (a) (1) Upon the complaint of any person on a form prescribed by
258 the [commission] board, signed under penalty of false statement, or
259 upon its own complaint, the [commission] ethics enforcement officer of
260 the Office of State Ethics shall investigate any alleged violation of this
261 part. Not later than five days after the receipt or issuance of such
262 complaint, the [commission] board shall provide notice of such receipt
263 or issuance and a copy of the complaint by registered or certified mail
264 to any respondent against whom such complaint is filed and shall
265 provide notice of the receipt of such complaint to the complainant.
266 When the [commission] ethics enforcement officer of the Office of State
267 Ethics undertakes an evaluation of a possible violation of this part
268 prior to the filing of a complaint, [by the commission,] the subject of

269 the evaluation shall be notified [within] not later than five business
270 days after [a commission] an Office of State Ethics staff member's first
271 contact with a third party concerning the matter.

272 (2) In the conduct of its investigation of an alleged violation of this
273 part, the [commission] Office of State Ethics shall have the power to
274 hold hearings, administer oaths, examine witnesses, receive oral and
275 documentary evidence, subpoena witnesses under procedural rules
276 adopted by the [commission] Citizen's Ethics Advisory Board as
277 regulations in accordance with the provisions of chapter 54 to compel
278 attendance before the [commission] Office of State Ethics and to
279 require the production for examination by the [commission] ethics
280 enforcement officer of the Office of State Ethics of any books and
281 papers which the [commission] Office of State Ethics deems relevant in
282 any matter under investigation or in question. In the exercise of such
283 powers, the [commission] Office of State Ethics may use the services of
284 the state police, who shall provide the same upon the [commission's]
285 office's request. The [commission] Office of State Ethics shall make a
286 record of all proceedings conducted pursuant to this subsection. The
287 ethics enforcement officer of the Office of State Ethics may bring any
288 alleged violation of this part before a judge trial referee assigned by the
289 Chief Court Administrator for such purpose for a probable cause
290 hearing. Such judge trial referee shall be compensated in accordance
291 with the provisions of section 52-434 from such funds as may be
292 available to the Office of State Ethics. Any witness summoned before
293 the [commission] Office of State Ethics or a judge trial referee pursuant
294 to this subsection shall receive the witness fee paid to witnesses in the
295 courts of this state. During [the] any investigation conducted pursuant
296 to this subsection or any probable cause hearing conducted pursuant
297 to this subsection, the respondent shall have the right to appear and be
298 heard and to offer any information which may tend to clear [him] the
299 respondent of probable cause to believe [he] the respondent has
300 violated any provision of this part. The respondent shall also have the
301 right to be represented by legal counsel and to examine and cross-
302 examine witnesses. Not later than ten days prior to the commencement

303 of any hearing conducted pursuant to this subsection, the
304 [commission] Office of State Ethics shall provide the respondent with a
305 list of its intended witnesses. [The commission shall make no finding
306 that there is probable cause to believe the respondent is in violation of
307 any provision of this part except upon the concurring vote of five of its
308 members.] Any finding of probable cause to believe the respondent is
309 in violation of any provisions of this part shall be made by a judge trial
310 referee not later than thirty days after the ethics enforcement officer
311 brings such alleged violation before such judge trial referee, except that
312 such thirty-day limitation period shall not apply if the judge trial
313 referee determines that good cause exists for extending such limitation
314 period.

315 (b) If a [preliminary investigation indicates] judge trial referee
316 determines that probable cause exists for the violation of a provision of
317 this part, the [commission] board shall initiate hearings to determine
318 whether there has been a violation of this part. Any such hearing shall
319 be initiated by the board not later than thirty days after the finding of
320 probable cause by a judge trial referee and shall be concluded not later
321 than ninety days after its initiation, except that such thirty or ninety-
322 day limitation period shall not apply if the judge trial referee
323 determines that good cause exists for extending such limitation period.
324 A judge trial referee, who has not taken part in the probable cause
325 determination on the matter shall be assigned by the Chief Court
326 Administrator and [who] shall be compensated in accordance with
327 section 52-434 out of funds available to the [commission,] Office of
328 State Ethics and shall preside over such hearing and [shall] rule on all
329 [matters] issues concerning the application of the rules of evidence,
330 which shall be the same as in judicial proceedings. The trial referee
331 shall have no vote in any decision of the [commission] board. All
332 hearings of the [commission] board held pursuant to this subsection
333 shall be open. At such hearing the [commission] board shall have the
334 same powers as the Office of State Ethics under subsection (a) of this
335 section and the respondent shall have the right to be represented by
336 legal counsel, the right to compel attendance of witnesses and the

337 production of books, documents, records and papers and to examine
338 and cross-examine witnesses. Not later than ten days prior to the
339 commencement of any hearing conducted pursuant to this subsection,
340 the [commission] Office of State Ethics shall provide the respondent
341 with a list of its intended witnesses. The judge trial referee shall, while
342 engaged in the discharge of [his] the duties as provided in this
343 subsection, have the same authority as is provided in section 51-35
344 over witnesses who refuse to obey a subpoena or to testify with respect
345 to any matter upon which such witness may be lawfully interrogated,
346 and may commit any such witness for contempt for a period no longer
347 than thirty days. The [commission] Office of State Ethics shall make a
348 record of all proceedings pursuant to this subsection. The
349 [commission] board shall find no person in violation of any provision
350 of this part except upon the concurring vote of [seven] two-thirds of its
351 members present and voting. Not later than fifteen days after the
352 public hearing conducted in accordance with this subsection, the
353 [commission] board shall publish its finding and a memorandum of
354 the reasons therefor. Such finding and memorandum shall be deemed
355 to be the final decision of the [commission] board on the matter for the
356 purposes of chapter 54. The respondent, if aggrieved by the finding
357 and memorandum, may appeal therefrom to the Superior Court in
358 accordance with the provisions of section 4-183.

359 (c) If [the commission] a judge trial referee finds, after a hearing
360 pursuant to this section, that there is no probable cause to believe that
361 a public official or state employee has violated a provision of this part,
362 or if the board determines that a public official or state employee has
363 not violated any such provision, or if a court of competent jurisdiction
364 overturns a finding by [the commission] the board of a violation by
365 such a respondent, the state shall pay the reasonable legal expenses of
366 the respondent as determined by the Attorney General or by the court
367 if appropriate. If any complaint brought under the provisions of this
368 part is made with the knowledge that it is made without foundation in
369 fact, the respondent shall have a cause of action against the
370 complainant for double the amount of damage caused thereby and if

371 the respondent prevails in such action, he may be awarded by the
372 court the costs of such action together with reasonable attorneys' fees.

373 (d) No complaint may be made under this section except within five
374 years next after the violation alleged in the complaint has been
375 committed.

376 (e) No person shall take or threaten to take official action against an
377 individual for such individual's disclosure of information to the
378 [commission] board or the general counsel, ethics enforcement officer
379 or staff of the Office of State Ethics under the provisions of this part.
380 After receipt of information from an individual under the provisions of
381 this part, the [commission] Office of State Ethics shall not disclose the
382 identity of such individual without [his] such individual's consent
383 unless the [commission] Office of State Ethics determines that such
384 disclosure is unavoidable during the course of an investigation.

385 Sec. 7. Section 1-82a of the general statutes is repealed and the
386 following is substituted in lieu thereof (*Effective July 1, 2005*):

387 (a) Unless [the commission] a judge trial referee makes a finding of
388 probable cause, a complaint alleging a violation of this part shall be
389 confidential except upon the request of the respondent. [A
390 commission] An evaluation of a possible violation of this part by the
391 Office of State Ethics prior to the filing of a complaint [by the
392 commission] shall be confidential except upon the request of the
393 subject of the evaluation. If the evaluation is confidential, any
394 information supplied to or received from the [commission] Office of
395 State Ethics shall not be disclosed to any third party by a subject of the
396 evaluation, a person contacted for the purpose of obtaining
397 information or by [a commission or staff member] the ethics
398 enforcement officer or staff of the Office of State Ethics. No provision
399 of this subsection shall prevent the [Ethics Commission] Office of State
400 Ethics from reporting the possible commission of a crime to the Chief
401 State's Attorney or other prosecutorial authority.

402 (b) An investigation conducted prior to a probable cause finding

403 shall be confidential except upon the request of the respondent. If the
404 investigation is confidential, the allegations in the complaint and any
405 information supplied to or received from the [commission] Office of
406 State Ethics shall not be disclosed during the investigation to any third
407 party by a complainant, respondent, witness, designated party, or
408 [commission] board or staff member of the Office of State Ethics.

409 (c) Not later than three business days after the termination of the
410 investigation, the [commission] Office of State Ethics shall inform the
411 complainant and the respondent of its finding and provide them a
412 summary of its reasons for making that finding. The [commission]
413 Office of State Ethics shall publish its finding upon the respondent's
414 request and may also publish a summary of its reasons for making
415 such finding.

416 (d) If [the commission] a judge trial referee makes a finding of no
417 probable cause, the complaint and the record of [its] the Office of State
418 Ethics' investigation shall remain confidential, except upon the request
419 of the respondent and except that some or all of the record may be
420 used in subsequent proceedings. No complainant, respondent, witness,
421 designated party, or [commission] board or staff member of the Office
422 of State Ethics shall disclose to any third party any information learned
423 from the investigation, including knowledge of the existence of a
424 complaint, which the disclosing party would not otherwise have
425 known. If such a disclosure is made, the [commission] judge trial
426 referee may, after consultation with the respondent if the respondent is
427 not the source of the disclosure, publish its finding and a summary of
428 its reasons therefor.

429 (e) The [commission] judge trial referee shall make public a finding
430 of probable cause not later than five business days after [the
431 termination of the investigation] any such finding. At such time the
432 entire record of the investigation shall become public, except that the
433 [commission] Office of State Ethics may postpone examination or
434 release of such public records for a period not to exceed fourteen days
435 for the purpose of reaching a stipulation agreement pursuant to

436 subsection (c) of section 4-177. Any such stipulation agreement or
437 settlement shall be approved by a majority of those members present
438 and voting.

439 Sec. 8. Section 1-83 of the general statutes is repealed and the
440 following is substituted in lieu thereof (*Effective July 1, 2005*):

441 (a) (1) All state-wide elected officers, members of the General
442 Assembly, department heads and their deputies, members of the
443 Gaming Policy Board, the executive director of the Division of Special
444 Revenue within the Department of Revenue Services, members or
445 directors of each quasi-public agency, members of the Investment
446 Advisory Council, state marshals and such members of the Executive
447 Department and such employees of quasi-public agencies as the
448 Governor shall require, shall file, under penalty of false statement, a
449 statement of financial interests for the preceding calendar year with the
450 [commission] Office of State Ethics on or before the May first next in
451 any year in which they hold such a position. Any such individual who
452 leaves his or her office or position shall file a statement of financial
453 interests covering that portion of the year during which such
454 individual held his or her office or position. The [commission] Office of
455 State Ethics shall notify such individuals of the requirements of this
456 subsection [within] not later than thirty days after their departure from
457 such office or position. Such individuals shall file such statement
458 within sixty days after receipt of the notification.

459 (2) Each state agency, department, board and commission shall
460 develop and implement, in cooperation with the [Ethics Commission]
461 Office of State Ethics, an ethics statement as it relates to the mission of
462 the agency, department, board or commission. The executive head of
463 each such agency, department, board or commission shall be directly
464 responsible for the development and enforcement of such ethics
465 statement and shall file a copy of such ethics statement with the
466 Department of Administrative Services and the [Ethics Commission]
467 Office of State Ethics.

468 (b) (1) The statement of financial interests, except as provided in
469 subdivision (2) of this subsection, shall include the following
470 information for the preceding calendar year in regard to the individual
471 required to file the statement and the individual's spouse and
472 dependent children residing in the individual's household: (A) The
473 names of all businesses with which associated; (B) the category or type
474 of all sources of income in excess of one thousand dollars, without
475 specifying amounts of income; (C) the name of securities in excess of
476 five thousand dollars at fair market value owned by such individual,
477 spouse or dependent children or held in the name of a corporation,
478 partnership or trust for the benefit of such individual, spouse or
479 dependent children; (D) the existence of any known blind trust and the
480 names of the trustees; (E) all real property and its location, whether
481 owned by such individual, spouse or dependent children or held in the
482 name of a corporation, partnership or trust for the benefit of such
483 individual, spouse or dependent children; (F) the names and addresses
484 of creditors to whom the individual, the individual's spouse or
485 dependent children, individually, owed debts of more than ten
486 thousand dollars; (G) any leases or contracts with the state held or
487 entered into by the individual or a business with which he or she was
488 associated; and (H) a description of any partnership, joint ownership
489 or similar business affiliation between (i) a business included under
490 subparagraph (A) of this subdivision with which the individual filing
491 the statement, the individual's spouse or a dependent child of the
492 individual is associated, and (ii) a lobbyist, a person that the individual
493 filing the statement knows or has reason to know is doing business
494 with or seeking to do business with the state or is engaged in activities
495 that are directly regulated by the department or agency in which the
496 individual is employed, or a business with which such lobbyist or
497 person is associated.

498 (2) The statement of financial interests filed by state marshals shall
499 include only amounts and sources of income earned in their capacity
500 as state marshals.

501 (c) The statement of financial interests filed pursuant to this section

502 shall be a matter of public information, except the list of names, filed in
503 accordance with subparagraph (F) of subdivision (1) of subsection (b)
504 of this section shall be sealed and confidential and for the use of the
505 [commission] Office of State Ethics only after a complaint has been
506 filed under section 1-82, as amended by this act, and such complaint
507 has been determined by a vote of the [commission] board to be of
508 sufficient merit and gravity to justify the unsealing of such list or lists
509 and not open to public inspection unless the respondent requests
510 otherwise. If the [commission] board reports its findings to the Chief
511 State's Attorney in accordance with subsection (c) of section 1-88, as
512 amended by this act, the [commission] board shall turn over to the
513 Chief State's Attorney such relevant information contained in the
514 statement as may be germane to the specific violation or violations or a
515 prosecutorial official may subpoena such statement in a criminal
516 action. Unless otherwise a matter of public record, the [Ethics
517 Commission] Office of State Ethics shall not disclose to the public any
518 such subpoena which would be exempt from disclosure by the issuing
519 agency.

520 (d) Any individual who is unable to provide information required
521 under the provisions of subdivision (1) of subsection (b) of this section
522 by reason of impossibility may petition the [commission] board for a
523 waiver of the requirements.

524 Sec. 9. Section 1-84b of the general statutes is repealed and the
525 following is substituted in lieu thereof (*Effective July 1, 2005*):

526 (a) No former executive branch or quasi-public agency public
527 official or state employee shall represent anyone other than the state,
528 concerning any particular matter (1) in which he participated
529 personally and substantially while in state service, and (2) in which the
530 state has a substantial interest.

531 (b) No former executive branch or quasi-public agency public
532 official or state employee shall, for one year after leaving state service,
533 represent anyone, other than the state, for compensation before the

534 department, agency, board, commission, council or office in which he
535 served at the time of his termination of service, concerning any matter
536 in which the state has a substantial interest. The provisions of this
537 subsection shall not apply to an attorney who is a former employee of
538 the Division of Criminal Justice, with respect to any representation in a
539 matter under the jurisdiction of a court.

540 (c) The provisions of this subsection apply to present or former
541 executive branch public officials or state employees who hold or
542 formerly held positions which involve significant decision-making or
543 supervisory responsibility and are designated as such by the [State
544 Ethics Commission] Office of State Ethics in consultation with the
545 agency concerned except that such provisions shall not apply to
546 members or former members of the boards or commissions who serve
547 ex officio, who are required by statute to represent the regulated
548 industry or who are permitted by statute to have a past or present
549 affiliation with the regulated industry. Designation of positions subject
550 to the provisions of this subsection shall be by regulations adopted by
551 the [State Ethics Commission] Citizen's Ethics Advisory Board in
552 accordance with chapter 54. As used in this subsection, "agency"
553 means the Office of Health Care Access, the Connecticut Siting
554 Council, the Department of Banking, the Insurance Department, the
555 Department of Public Safety, the office within the Department of
556 Consumer Protection that carries out the duties and responsibilities of
557 sections 30-2 to 30-68m, inclusive, the Department of Public Utility
558 Control, including the Office of Consumer Counsel, the Division of
559 Special Revenue and the Gaming Policy Board and the term
560 "employment" means professional services or other services rendered
561 as an employee or as an independent contractor.

562 (1) No public official or state employee, in an executive branch
563 position designated by the [State Ethics Commission] Office of State
564 Ethics shall negotiate for, seek or accept employment with any
565 business subject to regulation by his agency.

566 (2) No former public official or state employee who held such a

567 position in the executive branch shall within one year after leaving an
568 agency, accept employment with a business subject to regulation by
569 that agency.

570 (3) No business shall employ a present or former public official or
571 state employee in violation of this subsection.

572 (d) The provisions of subsection (e) of this section apply to (1)
573 present or former Gaming Policy Board or Division of Special Revenue
574 public officials or state employees who hold or formerly held positions
575 which involve significant decision-making or supervisory
576 responsibility and are designated as such by the [State Ethics
577 Commission] Office of State Ethics, in consultation with the agency
578 concerned, and (2) present or former public officials or state employees
579 of other agencies who hold or formerly held positions which involve
580 significant decision-making or supervisory responsibility concerning
581 the regulation or investigation of (A) any business entity (i) engaged in
582 Indian gaming operations in the state, and (ii) in which a federally-
583 recognized Indian tribe in the state owns a controlling interest, or (B) a
584 governmental agency of a federally-recognized Indian tribe engaged in
585 Indian gaming operations in the state, which positions are designated
586 as such by the [State Ethics Commission] Office of State Ethics, in
587 consultation with the agency concerned. Designation of positions
588 subject to the provisions of this subsection shall be by regulations
589 adopted by the [State Ethics Commission] Citizens' Ethics Advisory
590 Board in accordance with chapter 54. As used in subsection (e) of this
591 section, the term "employment" means professional services or other
592 services rendered as an employee or as an independent contractor.

593 (e) (1) No Gaming Policy Board or Division of Special Revenue
594 public official or state employee or other public official or state
595 employee described in subdivision (2) of subsection (d) of this section,
596 in a position designated by the [State Ethics Commission] Office of
597 State Ethics, shall negotiate for, seek or accept employment with (A) a
598 business entity (i) engaged in Indian gaming operations in the state,
599 and (ii) in which a federally-recognized Indian tribe in the state owns a

600 controlling interest, or (B) a governmental agency of a federally-
601 recognized Indian tribe engaged in Indian gaming operations in the
602 state.

603 (2) No former Gaming Policy Board or Division of Special Revenue
604 public official or state employee or other former public official or state
605 employee described in subdivision (2) of subsection (d) of this section,
606 who held such a position shall, within two years after leaving such
607 agency, accept employment with (A) a business entity (i) engaged in
608 Indian gaming operations in the state, and (ii) in which a federally-
609 recognized Indian tribe in the state owns a controlling interest, or (B) a
610 governmental agency of a federally-recognized Indian tribe engaged in
611 Indian gaming operations in the state.

612 (f) No former public official or state employee (1) who participated
613 substantially in the negotiation or award of (A) a state contract valued
614 at an amount of fifty thousand dollars or more, or (B) a written
615 agreement for the approval of a payroll deduction slot described in
616 section 3-123g, or (2) who supervised the negotiation or award of such
617 a contract or agreement, shall accept employment with a party to the
618 contract or agreement other than the state for a period of one year after
619 his resignation from his state office or position if his resignation occurs
620 less than one year after the contract or agreement is signed.

621 (g) No member or director of a quasi-public agency who
622 participates substantially in the negotiation or award of a contract
623 valued at an amount of fifty thousand dollars or more, or who
624 supervised the negotiation or award of such a contract, shall seek,
625 accept, or hold employment with a party to the contract for a period of
626 one year after the signing of the contract.

627 [(h) The regulations required to implement the provisions of
628 subsection (c) of this section may be adopted by the State Ethics
629 Commission prior to January 7, 1987, but may not take effect prior to
630 that date.]

631 [(i)] (h) The provisions of subsections (a), (b) and (f) of this section

632 shall not apply to any employee of a quasi-public agency who leaves
633 such agency before July 1, 1989.

634 [(j)] (i) No Treasurer who authorizes, negotiates or renegotiates a
635 contract for investment services valued at an amount of fifty thousand
636 dollars or more shall negotiate for, seek or accept employment with a
637 party to the contract prior to one year after the end of the Treasurer's
638 term of office within which such contract for investment services was
639 authorized, negotiated or renegotiated by such Treasurer.

640 Sec. 10. Section 1-86 of the general statutes is repealed and the
641 following is substituted in lieu thereof (*Effective July 1, 2005*):

642 (a) Any public official or state employee, other than an elected state
643 official, who, in the discharge of [his] such official's or employee's
644 official duties, would be required to take an action that would affect a
645 financial interest of [himself, his] such official or employee, such
646 official's or employee's spouse, parent, brother, sister, child or the
647 spouse of a child or a business with which [he] such official or
648 employee is associated, other than an interest of a de minimis nature,
649 an interest that is not distinct from that of a substantial segment of the
650 general public or an interest in substantial conflict with the
651 performance of official duties as defined in section 1-85 has a potential
652 conflict of interest. Under such circumstances, [he] such official or
653 employee shall, if [he] such official or employee is a member of a state
654 regulatory agency, either excuse himself or herself from the matter or
655 prepare a written statement signed under penalty of false statement
656 describing the matter requiring action and the nature of the potential
657 conflict and explaining why despite the potential conflict, [he] such
658 official or employee is able to vote and otherwise participate fairly,
659 objectively and in the public interest. [He] Such public official or state
660 employee shall deliver a copy of the statement to the [commission]
661 Office of State Ethics and enter a copy of the statement in the journal or
662 minutes of the agency. If [he] such official or employee is not a
663 member of a state regulatory agency, [he] such official or employee
664 shall, in the case of either a substantial or potential conflict, prepare a

665 written statement signed under penalty of false statement describing
666 the matter requiring action and the nature of the conflict and deliver a
667 copy of the statement to [his] such official's or employee's immediate
668 superior, if any, who shall assign the matter to another employee, or if
669 [he] such official or employee has no immediate superior, [he] such
670 official or employee shall take such steps as the [commission] Office of
671 State Ethics shall prescribe or advise.

672 (b) No elected state official shall be affected by subsection (a) of this
673 section.

674 (c) No person required to register with the [State Ethics
675 Commission] Office of State Ethics under section 1-94 shall accept
676 employment with the General Assembly or with any member of the
677 General Assembly in connection with legislative action, as defined in
678 section 1-91, as amended by this act. No member of the General
679 Assembly shall be a lobbyist.

680 Sec. 11. Section 1-86d of the general statutes is repealed and the
681 following is substituted in lieu thereof (*Effective July 1, 2005*):

682 (a) Any public official or state employee who establishes a legal
683 defense fund, or for whom a legal defense fund has been established,
684 shall file a report on said fund with the [State Ethics Commission]
685 Office of State Ethics not later than the tenth day of January, April, July
686 and October. Each such report shall include the following information
687 for the preceding calendar quarter: (1) The names of the directors and
688 officers of the fund, (2) the name of the depository institution for the
689 fund, (3) an itemized accounting of each contribution to the fund,
690 including the full name and complete address of each contributor and
691 the amount of the contribution, and (4) an itemized accounting of each
692 expenditure, including the full name and complete address of each
693 payee and the amount and purpose of the expenditure. The public
694 official or state employee shall sign each such report under penalty of
695 false statement. The provisions of this subsection shall not apply to any
696 person who has made a contribution to a legal defense fund before

697 June 3, 2004.

698 (b) (1) In addition to the prohibitions on gifts under subsections (j)
699 and (m) of section 1-84 and subsection (a) of section 1-97, no public
700 official or state employee shall accept, directly or indirectly, any
701 contribution to a legal defense fund established by or for the public
702 official or state employee, from (A) a member of the immediate family
703 of any person who is prohibited from giving a gift under subsection (j)
704 or (m) of section 1-84 or subsection (a) of section 1-97, or (B) a person
705 who is appointed by said public official or state employee to serve on a
706 paid, full-time basis. No person described in subparagraph (A) or (B)
707 of this subdivision shall make a contribution to such a legal defense
708 fund, and no such person or any person prohibited from making a gift
709 under subsection (j) or (m) of section 1-84 or subsection (a) of section 1-
710 97 shall solicit a contribution for such a legal defense fund.

711 (2) A public official or state employee may accept a contribution or
712 contributions to a legal defense fund established by or for the public
713 official or state employee from any other person, provided the total
714 amount of such contributions from any such person in any calendar
715 year shall not exceed one thousand dollars. No such person shall make
716 a contribution or contributions to said legal defense fund exceeding
717 one thousand dollars in any calendar year. The provisions of this
718 subdivision shall not apply in 2004, to any person who has made a
719 contribution or contributions to a legal defense fund exceeding one
720 thousand dollars in 2004, before June 3, 2004, provided said legal
721 defense fund shall not accept any additional contributions from such
722 person in 2004, and such person shall not make any additional
723 contributions to said fund in 2004.

724 (3) Notwithstanding the provisions of subdivision (2) of this
725 subsection, a public official or state employee may accept a
726 contribution or contributions, in any amount, to a legal defense fund
727 established by or for the public official or state employee from a
728 relative of the public official or state employee or a person whose
729 relationship with the public official or state employee is not dependent

730 on the official's or employee's status as a public official or state
731 employee. The factors that the [State Ethics Commission] board shall
732 consider in determining whether a person's relationship is so
733 dependent shall include, but not be limited to, whether the person may
734 be able to benefit from the exercise of official authority of the public
735 official or state employee and whether the person made gifts to the
736 public official or state employee before the official or employee began
737 serving in such office or position.

738 Sec. 12. Section 1-87 of the general statutes is repealed and the
739 following is substituted in lieu thereof (*Effective July 1, 2005*):

740 Any person aggrieved by any final decision of the [commission]
741 board, made pursuant to this part, may appeal such decision in
742 accordance with the provisions of section 4-175 or section 4-183.

743 Sec. 13. Section 1-88 of the general statutes is repealed and the
744 following is substituted in lieu thereof (*Effective July 1, 2005*):

745 (a) The [commission] board, upon a finding made pursuant to
746 section 1-82, as amended by this act, that there has been a violation of
747 any provision of this part, shall have the authority to order the violator
748 to do any or all of the following: (1) Cease and desist the violation of
749 this part; (2) file any report, statement or other information as required
750 by this part; and (3) pay a civil penalty of not more than ten thousand
751 dollars for each violation of this part.

752 (b) Notwithstanding the provisions of subsection (a) of this section,
753 the [commission] board may, after a hearing conducted in accordance
754 with sections 4-176e to 4-184, inclusive, upon the concurring vote of
755 [seven] two-thirds of its members, present and voting impose a civil
756 penalty not to exceed ten dollars per day upon any individual who
757 fails to file any report, statement or other information as required by
758 this part. Each distinct violation of this subsection shall be a separate
759 offense and in case of a continued violation, each day thereof shall be
760 deemed a separate offense. In no event shall the aggregate penalty
761 imposed for such failure to file exceed ten thousand dollars.

762 (c) The [commission] board may also report its finding to the Chief
763 State's Attorney for any action deemed necessary. The [commission]
764 board, upon a finding made pursuant to section 1-82, as amended by
765 this act, that a member or member-elect of the General Assembly has
766 violated any provision of this part, shall notify the appropriate house
767 of the General Assembly, in writing, of [its] such finding and the basis
768 for such finding.

769 (d) Any person who knowingly acts in [his] such person's financial
770 interest in violation of section 1-84, 1-85, 1-86, as amended by this act,
771 or 1-86d, as amended by this act, or any person who knowingly
772 receives a financial advantage resulting from a violation of any of said
773 sections shall be liable for damages in the amount of such advantage. If
774 the [commission] board determines that any person may be so liable, it
775 shall immediately inform the Attorney General of that possibility.

776 (e) Any employee [or member of the commission] of the Office of
777 State Ethics or member of the Citizen's Ethics Advisory Board who, in
778 violation of this part, discloses information filed in accordance with
779 [subparagraph (B) or] subparagraph (F) of subdivision (1) of
780 subsection (b) of section 1-83, as amended by this act, shall be
781 dismissed, if an employee, or removed from the [commission] board, if
782 a member.

783 Sec. 14. Section 1-89a of the general statutes is repealed and the
784 following is substituted in lieu thereof (*Effective July 1, 2005*):

785 (a) In each odd-numbered calendar year, the [State Ethics
786 Commission] Office of State Ethics, the Connecticut Humanities
787 Council and the Joint Committee on Legislative Management shall
788 conduct a conference on ethical issues affecting members of the
789 General Assembly and lobbyists.

790 (b) In each even-numbered calendar year, the [State Ethics
791 Commission] Office of State Ethics shall conduct a conference on
792 ethical issues affecting executive branch and quasi-public agency
793 public officials and state employees.

794 Sec. 15. Subsection (c) of section 1-91 of the general statutes is
795 repealed and the following is substituted in lieu thereof (*Effective July*
796 *1, 2005*):

797 (c) ["Commission" means the State Ethics Commission] "Board"
798 means the Citizen's Ethics Advisory Board established under section 1-
799 80, as amended by this act.

800 Sec. 16. Section 1-92 of the general statutes is repealed and the
801 following is substituted in lieu thereof (*Effective July 1, 2005*):

802 [The commission shall:

803 (1) Adopt] (a) The Citizen's Ethics Advisory Board shall adopt
804 regulations in accordance with chapter 54 to carry out the purposes of
805 this part. Not later than January 1, 1992, the [commission] board shall
806 adopt regulations which further clarify the meaning of the terms
807 "directly and personally received" and "major life event", as used in
808 subsection (e) of section 1-79 and subsection (g) of section 1-91;

809 [(2) Compile] (b) The general counsel and staff of the Office of State
810 Ethics shall compile and maintain an index of all reports and
811 statements filed with the [commission] Office of State Ethics under the
812 provisions of this part and advisory opinions and informal staff letters
813 issued by the [commission] board with regard to the requirements of
814 this part, to facilitate public access to such reports, statements, letters
815 and advisory opinions promptly upon the filing or issuance thereof;

816 [(3) Prepare] (c) The general counsel and staff of the Office of State
817 Ethics shall prepare quarterly and annual summaries of statements
818 and reports filed with the [commission] Office of State Ethics and
819 advisory opinions and informal staff letters issued by the [commission]
820 Office of State Ethics;

821 [(4) Preserve advisory opinions] (d) The general counsel and staff of
822 the Office of State Ethics shall preserve advisory opinions and informal
823 staff letters permanently; preserve memoranda filed under subsection

824 (f) of section 1-93a, statements and reports filed by and with the
825 [commission] Office of State Ethics for a period of five years from the
826 date of receipt;

827 [(5)] (e) Upon the concurring vote of [five] a majority of its members
828 [.] present and voting, the board shall issue advisory opinions with
829 regard to the requirements of this part, upon the request of any person,
830 subject to the provisions of this part, and publish such advisory
831 opinions in the Connecticut Law Journal. Advisory opinions rendered
832 by [the commission] the board, until amended or revoked, shall be
833 binding on the [commission] board and shall be deemed to be final
834 decisions of the [commission] board for purposes of [section 1-98]
835 appeal to the superior court, in accordance with the provisions of
836 section 4-175 or 4-183. Any advisory opinion concerning any person
837 subject to the provisions of this part who requested the opinion and
838 who acted in reliance thereon, in good faith, shall be binding upon the
839 [commission] board, and it shall be an absolute defense in any criminal
840 action brought under the provisions of this part that the accused acted
841 in reliance upon such advisory opinion;

842 [(6)] (f) Report annually, prior to February fifteenth, to the Governor
843 summarizing the activities of the commission; and

844 [(7) Employ]

845 (g) The Office of State Ethics shall employ necessary staff within
846 available appropriations.

847 Sec. 17. Section 1-93 of the general statutes is repealed and the
848 following is substituted in lieu thereof (*Effective July 1, 2005*):

849 (a) (1) Upon the complaint of any person on a form prescribed by
850 the [commission] Office of State Ethics, signed under penalty of false
851 statement, or upon its own complaint, the [commission] ethics
852 enforcement officer of the Office of State Ethics shall investigate any
853 alleged violation of this part. Not later than five days after the receipt
854 or issuance of such complaint, the [commission] Office of State Ethics

855 shall provide notice of such receipt or issuance and a copy of the
856 complaint by registered or certified mail to any respondent against
857 whom such complaint is filed and shall provide notice of the receipt of
858 such complaint to the complainant. When the [commission] Office of
859 State Ethics undertakes an evaluation of a possible violation of this
860 part prior to the filing of a complaint, [by the commission] the subject
861 of the evaluation shall be notified [within five business days after a
862 commission staff member's] not later than five business days after a
863 staff member of the Office of State Ethics undertakes the first contact
864 with a third party concerning the matter.

865 (2) In the conduct of its investigation of an alleged violation of this
866 part, the [commission] Office of State Ethics shall have the power to
867 hold hearings, administer oaths, examine witnesses, receive oral and
868 documentary evidence, subpoena witnesses under procedural rules
869 adopted by the [commission] Citizen's Ethics Advisory Board as
870 regulations in accordance with the provisions of chapter 54 to compel
871 attendance before the [commission] Office of State Ethics and to
872 require the production for examination by the [commission] ethics
873 enforcement officer of the Office of State Ethics of any books and
874 papers which the [commission] ethics enforcement officer of the Office
875 of State Ethics deems relevant in any matter under investigation or in
876 question. In the exercise of such powers, the [commission] Office of
877 State Ethics may use the services of the state police, who shall provide
878 the same upon the [commission's] office's request. The [commission]
879 Office of State Ethics shall make a record of all proceedings conducted
880 pursuant to this subsection. Any witness summoned before the
881 [commission] Office of State Ethics or a judge trial referee pursuant to
882 this subsection shall receive the witness fee paid to witnesses in the
883 courts of this state. The ethics enforcement officer of the Office of State
884 Ethics may bring any alleged violation of this part before a judge trial
885 referee assigned by the Chief Court Administrator for such purpose for
886 a probable cause hearing. Such judge trial referee shall be compensated
887 in accordance with the provisions of section 52-434 from such funds as
888 may be available to the Office of State Ethics. The respondent shall

889 have the right to appear at any hearing held pursuant to this
890 subsection and be heard and to offer any information which may tend
891 to clear [him] the respondent of probable cause to believe [he] the
892 respondent has violated any provision of this part. The respondent
893 shall also have the right to be represented by legal counsel and to
894 examine and cross-examine witnesses. Not later than ten days prior to
895 the commencement of any hearing conducted pursuant to this
896 subsection, the [commission] Office of State Ethics shall provide the
897 respondent with a list of its intended witnesses. [The commission shall
898 make no finding that there is probable cause to believe the respondent
899 is in violation of this part, except upon the concurring vote of five of its
900 members.] Any finding of probable cause to believe the respondent is
901 in violation of any provision of this part shall be made by a judge trial
902 referee not later than thirty days after the ethics enforcement officer
903 brings such alleged violation before such judge trial referee, except that
904 such thirty-day limitation period shall not apply if the judge trial
905 referee determines that good cause exists for extending such limitation
906 period.

907 (b) If a [preliminary investigation] judge trial referee indicates that
908 probable cause exists for the violation of a provision of this part, the
909 [commission] board shall initiate hearings to determine whether there
910 has been a violation of this part. Any such hearing shall be initiated by
911 the board not later than thirty days after the finding of probable cause
912 by a judge trial referee and shall be concluded not later than ninety
913 days after its initiation, except that such thirty-day or ninety-day
914 limitation period shall not apply if the judge trial referee determines
915 that good cause exists for extending such limitation period. A judge
916 trial referee, who has not taken part in the probable cause
917 determination on the matter shall be assigned by the Chief Court
918 Administrator and [who] shall be compensated in accordance with
919 section 52-434 out of funds available to the [commission,] board and
920 shall preside over such hearing and [shall] rule on all [matters] issues
921 concerning the application of the rules of evidence, which shall be the
922 same as in judicial proceedings. The trial referee shall have no vote in

923 any decision of the [commission] board. All hearings of the
924 [commission] board held pursuant to this subsection shall be open. At
925 such hearing the [commission] board shall have the same powers as
926 the Office of State Ethics under subsection (a) of this section and the
927 respondent shall have the right to be represented by legal counsel, the
928 right to compel attendance of witnesses and the production of books,
929 documents, records and papers and to examine and cross-examine
930 witnesses. Not later than ten days prior to the commencement of any
931 hearing conducted pursuant to this subsection, the [commission]
932 Office of State Ethics shall provide the respondent with a list of its
933 intended witnesses. The judge trial referee shall, while engaged in the
934 discharge of [his] the duties as provided in this subsection, have the
935 same authority as is provided in section 51-35 over witnesses who
936 refuse to obey a subpoena or to testify with respect to any matter upon
937 which such witness may be lawfully interrogated, and may commit
938 any such witness for contempt for a period no longer than thirty days.
939 The [commission] Office of State Ethics shall make a record of all
940 proceedings pursuant to this subsection. The [commission] board shall
941 find no person in violation of any provision of this part except upon
942 the concurring vote of [six] two-thirds of its members present and
943 voting. Not later than fifteen days after the public hearing conducted
944 in accordance with this subsection, the [commission] board shall
945 publish its finding and a memorandum of the reasons therefor. Such
946 finding and memorandum shall be deemed to be the final decision of
947 the [commission] board on the matter for the purposes of chapter 54.
948 The respondent, if aggrieved by the finding and memorandum, may
949 appeal therefrom to the Superior Court in accordance with the
950 provisions of section 4-183.

951 (c) If any complaint brought under the provisions of this part is
952 made with the knowledge that it is made without foundation in fact,
953 the respondent shall have a cause of action against the complainant for
954 double the amount of damage caused thereby and if the respondent
955 prevails in such action, [he] the respondent may be awarded by the
956 court the costs of such action together with reasonable attorneys' fees.

957 (d) No complaint may be made under this section except within five
958 years next after the violation alleged in the complaint has been
959 committed.

960 (e) No person shall take or threaten to take official action against an
961 individual for such individual's disclosure of information to the
962 [commission] board or the general counsel, ethics enforcement officer
963 or staff of the Office of State Ethics under the provisions of this part.
964 After receipt of information from an individual under the provisions of
965 this part, the [commission] Office of State Ethics shall not disclose the
966 identity of such individual without [his] such person's consent unless
967 the [commission] Office of State Ethics determines that such disclosure
968 is unavoidable during the course of an investigation.

969 Sec. 18. Section 1-93a of the general statutes is repealed and the
970 following is substituted in lieu thereof (*Effective July 1, 2005*):

971 (a) Unless [the commission] a judge trial referee makes a finding of
972 probable cause, a complaint alleging a violation of this part shall be
973 confidential except upon the request of the respondent. A
974 [commission] Office of State Ethics evaluation of a possible violation of
975 this part undertaken prior to a complaint being filed [by the
976 commission] shall be confidential except upon the request of the
977 subject of the evaluation. If the evaluation is confidential, any
978 information supplied to or received from the [commission] Office of
979 State Ethics shall not be disclosed to any third party by a subject of the
980 evaluation, a person contacted for the purpose of obtaining
981 information or by a [commission] board or staff member of the Office
982 of State Ethics. No provision of this subsection shall prevent the [Ethics
983 Commission] board or the Office of State Ethics from reporting the
984 possible commission of a crime to the Chief State's Attorney or other
985 prosecutorial authority.

986 (b) An investigation conducted prior to a probable cause finding
987 shall be confidential except upon the request of the respondent. If the
988 investigation is confidential, the allegations in the complaint and any

989 information supplied to or received from the [commission] Office of
990 State Ethics shall not be disclosed during the investigation to any third
991 party by a complainant, respondent, witness, designated party, or
992 [commission] Office of State Ethics or staff member.

993 (c) Not later than three business days after the termination of the
994 investigation, the [commission] Office of State Ethics shall inform the
995 complainant and the respondent of its finding and provide them a
996 summary of its reasons for making that finding. The [commission]
997 Office of State Ethics shall publish its finding upon the respondent's
998 request and may also publish a summary of its reasons for making
999 such finding.

1000 (d) If [the commission] a judge trial referee makes a finding of no
1001 probable cause, the complaint and the record of its investigation shall
1002 remain confidential, except upon the request of the respondent and
1003 except that some or all of the record may be used in subsequent
1004 proceedings. No complainant, respondent, witness, designated party,
1005 or [commission] Office of State Ethics or staff member shall disclose to
1006 any third party any information learned from the investigation,
1007 including knowledge of the existence of a complaint, which the
1008 disclosing party would not otherwise have known. If such a disclosure
1009 is made, the [commission] judge trial referee may, after consultation
1010 with the respondent if the respondent is not the source of the
1011 disclosure, publish its finding and a summary of its reasons therefor.

1012 (e) The [commission] judge trial referee shall make public a finding
1013 of probable cause not later than five business days after [the
1014 termination of the investigation] any such finding. At such time the
1015 entire record of the investigation shall become public, except that the
1016 [commission] Office of State Ethics may postpone examination or
1017 release of such public records for a period not to exceed fourteen days
1018 for the purpose of reaching a stipulation agreement pursuant to
1019 subsection (c) of section 4-177. Any stipulation agreement or settlement
1020 entered into for a violation of this part shall be approved by a majority
1021 if its members present and voting.

1022 Sec. 19. Section 1-94 of the general statutes is repealed and the
1023 following is substituted in lieu thereof (*Effective July 1, 2005*):

1024 A lobbyist shall register with the [commission] Office of State Ethics
1025 pursuant to this part if it or he:

1026 (1) Receives or agrees to receive compensation or reimbursement for
1027 actual expenses, or both, in a combined amount of two thousand
1028 dollars or more in a calendar year for lobbying, whether that receipt of
1029 compensation or reimbursement or agreement to receive such
1030 compensation or reimbursement is solely for lobbying or the lobbying
1031 is incidental to that person's regular employment; or

1032 (2) Makes or incurs an obligation to make expenditures of two
1033 thousand dollars or more in a calendar year for lobbying.

1034 Sec. 20. Section 1-95 of the general statutes is repealed and the
1035 following is substituted in lieu thereof (*Effective July 1, 2005*):

1036 (a) Each registrant shall file every two years with the [commission]
1037 Office of State Ethics on a registration form signed under penalty of
1038 false statement on or before January fifteenth of odd-numbered years
1039 or prior to the commencement of lobbying whichever is later. If the
1040 registrant is not an individual, an authorized officer or agent of the
1041 registrant shall sign the form. Such registration shall be on a form
1042 prescribed by the [commission] board and shall include:

1043 (1) If the registrant is an individual, the registrant's name,
1044 permanent address and temporary address while lobbying and the
1045 name, address and nature of business of any person who compensates
1046 or reimburses, or agrees to compensate or reimburse the registrant and
1047 the terms of the compensation, reimbursement or agreement, but shall
1048 not include the compensation paid to an employee for his involvement
1049 in activities other than lobbying;

1050 (2) If the registrant is a corporation, the name, address, place of
1051 incorporation and the principal place of business of the corporation;

1052 (3) If the registrant is an association, group of persons or an
1053 organization, the name and address of the principal officers and
1054 directors of such association, group of persons or organization. If the
1055 registrant is formed primarily for the purpose of lobbying, it shall
1056 disclose the name and address of any person contributing two
1057 thousand dollars or more to the registrant's lobbying activities in any
1058 calendar year;

1059 (4) If the registrant is not an individual, the name and address of
1060 each individual who will lobby on the registrant's behalf; and

1061 (5) The identification, with reasonable particularity, of areas of
1062 legislative or administrative action on which the registrant expects to
1063 lobby.

1064 (b) Each registrant shall pay a reasonable fee not in excess of the cost
1065 of administering the registration form provided for in subsection (a) of
1066 this section plus the cost of collecting, filing, copying and distributing
1067 the information filed by registrants under section 1-96, but not less
1068 than twenty-five dollars. A registrant who commences lobbying in an
1069 even-numbered year shall file with the [commission] Office of State
1070 Ethics, on or before January fifteenth of such even-numbered year or
1071 prior to the commencement of lobbying, whichever is later, a
1072 registration form signed under penalty of false statement and shall pay
1073 one-half of the biennial registration fee established by the
1074 [commission] board.

1075 (c) Each registrant shall file a notice of termination within thirty
1076 days after he ceases the activity that required his registration, provided
1077 the registrant does not intend to resume the activity during the
1078 biennial period for which he is registered; but termination shall not
1079 relieve him of the reporting requirements of section 1-96 for the period
1080 preceding the date his notice of termination is received by the
1081 [commission] Office of State Ethics or for the period commencing on
1082 such date and ending on December thirty-first of the year in which
1083 termination occurs.

1084 Sec. 21. Section 1-96 of the general statutes is repealed and the
1085 following is substituted in lieu thereof (*Effective July 1, 2005*):

1086 (a) Each client lobbyist registrant shall file with the [commission]
1087 Office of State Ethics between the first and tenth day of April, July and
1088 January a financial report, signed under penalty of false statement. The
1089 April and July reports shall cover its lobbying activities during the
1090 previous calendar quarter and the January report shall cover its
1091 lobbying activities during the previous two calendar quarters. In
1092 addition to such reports, each client lobbyist registrant which attempts
1093 to influence legislative action shall file, under penalty of false
1094 statement, interim monthly reports of its lobbying activities for each
1095 month the General Assembly is in regular session, except that no
1096 monthly report shall be required for any month in which it neither
1097 expends nor agrees to expend one hundred dollars or more in
1098 furtherance of lobbying. Such interim monthly reports shall be filed
1099 with the [commission] Office of State Ethics no later than the tenth day
1100 of the month following the last day of the month reported. If the client
1101 lobbyist registrant is not an individual, an authorized officer or agent
1102 of the client lobbyist registrant shall sign the form. A communicator
1103 lobbyist for a municipality or any subdivision of a municipality, a
1104 branch of state government or any subdivision of state government or
1105 a quasi-public agency shall file the reports described in this subsection
1106 utilizing the client lobbyist reporting schedule.

1107 (b) Each individual communicator lobbyist registrant and each
1108 business organization communicator lobbyist registrant shall file with
1109 the [commission] Office of State Ethics between the first and tenth day
1110 of January a report or reports, signed under penalty of false statement,
1111 reporting the amounts of compensation and reimbursement received
1112 from each of his clients during the previous year. In addition, each
1113 individual communicator lobbyist registrant and each business
1114 organization communicator lobbyist registrant shall: (1) Report the
1115 fundamental terms of contracts, agreements or promises to pay or
1116 receive compensation or reimbursement or to make expenditures in
1117 furtherance of lobbying, including the categories of work to be

1118 performed and the dollar value or compensation rate of the contract, at
1119 the time of registration; (2) report, in accordance with the schedule set
1120 forth in subsection (a) of this section, any amendments to these
1121 fundamental terms, including any agreements to subcontract lobbying
1122 work; and (3) report, in accordance with the provisions of subsection
1123 (a) of this section, any expenditures for the benefit of a public official in
1124 the legislative or executive branch or a member of the staff or
1125 immediate family of such official which are unreimbursed and
1126 required to be itemized. Such report shall not include the disclosure of
1127 food and beverage provided by a communicator lobbyist registrant to
1128 a public official in the legislative or executive branch or a member of
1129 his staff or immediate family at a major life event, as defined by the
1130 [commission] Citizen's Ethics Advisory Board, of the registrant. All
1131 such information shall be reported under penalty of false statement.

1132 (c) An individual communicator lobbyist registrant shall file a
1133 separate report for each person from whom he received compensation
1134 or reimbursement. Notwithstanding any provision of this subsection to
1135 the contrary, a business organization to which one or more individual
1136 communicator lobbyist registrants belong may file a single report for
1137 each client lobbyist in lieu of any separate reports that individual
1138 registrants are required to file pursuant to this subsection.

1139 (d) Each registrant who files a notice of termination under
1140 subsection (c) of section 1-95 shall file with the [commission] Office of
1141 State Ethics a financial report, under penalty of false statement,
1142 between the first and tenth day of January of the year following
1143 termination.

1144 (e) Each client lobbyist registrant financial report shall be on a form
1145 prescribed by the [commission] board and shall state expenditures
1146 made and the fundamental terms of contracts, agreements or promises
1147 to pay compensation or reimbursement or to make expenditures in
1148 furtherance of lobbying. Any such fundamental terms shall be
1149 reported once in the monthly, quarterly or post-termination report
1150 next following the entering into of such contract. Such financial report

1151 shall include an itemized statement of each expenditure of ten dollars
1152 or more per person for each occasion made by the reporting registrant
1153 or a group of registrants which includes the reporting registrant for the
1154 benefit of a public official in the legislative or executive branch, a
1155 member of his staff or immediate family, itemized by date, beneficiary,
1156 amount and circumstances of the transaction. The requirement of an
1157 itemized statement shall not apply to an expenditure made by a
1158 reporting registrant or a group of registrants which includes the
1159 reporting registrant for (1) the benefit of the members of the General
1160 Assembly at an event that is a reception to which all such members are
1161 invited or all members of a region of the state, as such term is used in
1162 subdivision (11) of subsection (g) of section 1-91, are invited, unless the
1163 expenditure is thirty dollars or more per person, or (2) benefits
1164 personally and directly received by a public official or state employee
1165 at a charitable or civic event at which the public official or state
1166 employee participates in his official capacity, unless the expenditure is
1167 thirty dollars or more per person, per event. If the compensation is
1168 required to be reported for an individual whose lobbying is incidental
1169 to his regular employment, it shall be sufficient to report a prorated
1170 amount based on the value of the time devoted to lobbying. On the
1171 first financial report following registration each client lobbyist
1172 registrant shall include any expenditures incident to lobbying activities
1173 which were received or expended prior to registration and not
1174 previously reported to the [commission] Office of State Ethics.

1175 (f) The [commission] Citizen's Ethics Advisory Board shall, by
1176 regulations adopted in accordance with chapter 54, establish minimum
1177 amounts for each item required to be reported, below which reporting
1178 may be made in the aggregate. The provisions of this subsection shall
1179 not apply to expenditures made for the benefit of a public official or a
1180 member of such person's staff or immediate family.

1181 (g) Each former registrant shall (1) report receipts or expenditures
1182 incident to lobbying activities during his period of registration which
1183 are received or expended following termination of registration and (2)
1184 report each expenditure of ten dollars or more per person for each

1185 occasion made by him for the benefit of a public official or a member
1186 of such official's immediate family or staff which occurs within six
1187 months after termination of registration.

1188 (h) The [commission] Office of State Ethics shall, within thirty days
1189 after receipt of a financial report which contains the name of a public
1190 official in the legislative or executive branch or a member of such
1191 official's staff or immediate family, send a written notice to such public
1192 official, of the filing of the report and the name of the person who filed
1193 it.

1194 Sec. 22. Subsection (b) of section 1-96a of the general statutes is
1195 repealed and the following is substituted in lieu thereof (*Effective July*
1196 *1, 2005*):

1197 (b) The [commission] Office of State Ethics may require, on a
1198 random basis, any registrant to make all such documents
1199 substantiating financial reports concerning lobbying activities on and
1200 after October 1, 1991, available for inspection and copying by the
1201 [commission] Office of State Ethics for the purpose of verifying such
1202 financial reports, provided no registrant shall be subject to such
1203 requirement more than one time during any three consecutive years.
1204 The [commission] Office of State Ethics shall select registrants to be
1205 audited by lot in a ceremony which shall be open to the public.
1206 Nothing in this subsection shall require a registrant to make any
1207 documents concerning nonlobbying activities available to the
1208 [commission] Office of State Ethics for inspection and copying.

1209 Sec. 23. Section 1-96b of the general statutes is repealed and the
1210 following is substituted in lieu thereof (*Effective July 1, 2005*):

1211 Each registrant required to file any financial reports under section 1-
1212 96 shall do so in electronic form using the software created by the
1213 [commission] Office of State Ethics for that purpose or another
1214 software program which meets specifications prescribed by the
1215 [commission] Office of State Ethics.

1216 Sec. 24. Section 1-98 of the general statutes is repealed and the
1217 following is substituted in lieu thereof (*Effective July 1, 2005*):

1218 Any person aggrieved by any final decision of the [commission]
1219 board, made pursuant to this part, may appeal such decision in
1220 accordance with the provisions of section 4-175 or section 4-183.

1221 Sec. 25. Section 1-99 of the general statutes is repealed and the
1222 following is substituted in lieu thereof (*Effective July 1, 2005*):

1223 (a) The [commission] board, upon a finding made pursuant to
1224 section 1-93 that there has been a violation of any provision of this
1225 part, shall have the authority to order the violator to do any or all of
1226 the following: (1) Cease and desist the violation of this part; (2) file any
1227 report, statement or other information as required by this part; or (3)
1228 pay a civil penalty of not more than ten thousand dollars for each
1229 violation of this part. The [commission] board may prohibit any person
1230 who intentionally violates any provision of this part from engaging in
1231 the profession of lobbyist for a period of not more than two years. The
1232 [commission] board may impose a civil penalty on any person who
1233 knowingly enters into a contingent fee agreement in violation of
1234 subsection (b) of section 1-97 or terminates a lobbying contract as the
1235 result of the outcome of an administrative or legislative action. The
1236 civil penalty shall be equal to the amount of compensation which the
1237 registrant was required to be paid under the agreement.

1238 (b) Notwithstanding the provisions of subsection (a) of this section,
1239 the [commission] board may, after a hearing conducted in accordance
1240 with sections 4-176e to 4-184, inclusive, upon the concurring vote of
1241 [six] two-thirds of its members, impose a civil penalty not to exceed ten
1242 dollars per day upon any registrant who fails to file any report,
1243 statement or other information as required by this part. Each distinct
1244 violation of this subsection shall be a separate offense and, in case of a
1245 continued violation, each day thereof shall be deemed a separate
1246 offense. In no event shall the aggregate penalty imposed for such
1247 failure to file exceed ten thousand dollars.

1248 (c) The [commission] board may also report its finding to the Chief
1249 State's Attorney for any action deemed necessary.

1250 Sec. 26. Section 1-101 of the general statutes is repealed and the
1251 following is substituted in lieu thereof (*Effective July 1, 2005*):

1252 Each individual who is a lobbyist shall, while engaged in lobbying,
1253 wear a distinguishing badge which shall identify him as a lobbyist.
1254 The size, color, material and other requirements of such badge shall be
1255 prescribed by regulation of the [commission] Citizen's Ethics Advisory
1256 Board.

1257 Sec. 27. Section 1-96c of the general statutes is repealed and the
1258 following is substituted in lieu thereof (*Effective July 1, 2005*):

1259 On and after January 1, 1999, the [State Ethics Commission] Office
1260 of State Ethics shall make all computerized data from financial reports
1261 required by section 1-96 available to the public through (1) a computer
1262 terminal in the office of the [commission] Office of State Ethics, and (2)
1263 the Internet or any other generally available on-line computer network.

1264 Sec. 28. Section 1-96e of the general statutes is repealed and the
1265 following is substituted in lieu thereof (*Effective July 1, 2005*):

1266 Each registrant who pays or reimburses a public official or state
1267 employee ten dollars or more for necessary expenses, as defined in
1268 section 1-79, as amended by this act, shall, within thirty days, file a
1269 statement with the [State Ethics Commission] Office of State Ethics
1270 indicating the name of such individual and the amount of the
1271 expenses.

1272 Sec. 29. Subsection (a) of section 1-99 of the general statutes is
1273 repealed and the following is substituted in lieu thereof (*Effective July*
1274 *1, 2005*):

1275 (a) The [commission] board, upon a finding made pursuant to
1276 section 1-93, as amended by this act, that there has been a violation of
1277 any provision of this part, shall have the authority to order the violator

1278 to do any or all of the following: (1) Cease and desist the violation of
1279 this part; (2) file any report, statement or other information as required
1280 by this part; or (3) pay a civil penalty of not more than ten thousand
1281 dollars for each violation of this part. The [commission] board may
1282 prohibit any person who intentionally violates any provision of this
1283 part from engaging in the profession of lobbyist for a period of not
1284 more than two years. The [commission] board may impose a civil
1285 penalty on any person who knowingly enters into a contingent fee
1286 agreement in violation of subsection (b) of section 1-97 or terminates a
1287 lobbying contract as the result of the outcome of an administrative or
1288 legislative action. The civil penalty shall be equal to the amount of
1289 compensation which the registrant was required to be paid under the
1290 agreement.

1291 Sec. 30. Section 4-9a of the general statutes is repealed and the
1292 following is substituted in lieu thereof (*Effective July 1, 2005*):

1293 (a) The Governor shall appoint the chairperson and executive
1294 director, if any, of all boards and commissions within the Executive
1295 Department, except the Board of Governors of Higher Education,
1296 provided the Governor shall appoint the initial chairman of said board
1297 as provided in section 10a-2, the State Properties Review Board, the
1298 State Elections Enforcement Commission, the Commission on Human
1299 Rights and Opportunities, the [State Ethics Commission] Citizen's
1300 Ethics Advisory Board, the Commission on Aging and the
1301 Commission on Fire Prevention and Control.

1302 (b) Public members shall constitute not less than one-third of the
1303 members of each board and commission within the Executive
1304 Department, except the Gaming Policy Board and the Commission on
1305 Human Rights and Opportunities. Public member means an elector of
1306 the state who has no substantial financial interest in, is not employed
1307 in or by, and is not professionally affiliated with, any industry,
1308 profession, occupation, trade or institution regulated or licensed by the
1309 relevant board or commission, and who has had no professional
1310 affiliation with any such industry, profession, occupation, trade or

1311 institution for three years preceding his appointment to the board or
1312 commission. Except as otherwise specifically provided by the general
1313 statutes, this section shall not apply to the Commission on Fire
1314 Prevention and Control, boards and commissions the membership of
1315 which is entirely composed of state department heads, elected officials
1316 or deputies appointed by such department heads or where the
1317 membership of such board or commission is determined in accordance
1318 with the provisions of any federal law.

1319 (c) Notwithstanding any provision of law to the contrary, the term
1320 of each member of each board and commission within the executive
1321 branch, except the State Board of Education, the Board of Governors of
1322 Higher Education, the Gaming Policy Board, the Commission on
1323 Human Rights and Opportunities, the State Elections Enforcement
1324 Commission, the State Properties Review Board, the [State Ethics
1325 Commission] Citizen's Ethics Advisory Board, the Commission on
1326 Medicolegal Investigations, the Psychiatric Security Review Board, the
1327 Commission on Fire Prevention and Control, the E 9-1-1 Commission,
1328 the Connecticut Commission on Culture and Tourism, the Commission
1329 on Aging, the board of trustees of each constituent unit of the state
1330 system of higher education and the Board of Pardons and Paroles,
1331 commencing on or after July 1, 1979, shall be coterminous with the
1332 term of the Governor or until a successor is chosen whichever is later.

1333 (d) Each member of each board and commission within the
1334 executive branch shall serve at the pleasure of the appointing authority
1335 except where otherwise specifically provided by any provision of the
1336 general statutes.

1337 Sec. 31. Subsection (a) of section 4b-4 of the general statutes is
1338 repealed and the following is substituted in lieu thereof (*Effective July*
1339 *1, 2005*):

1340 (a) No employee of the Properties Review Board shall hold another
1341 state or municipal position, nor shall any such employee or any
1342 nonclerical employee in the unit in the Department of Public Works

1343 which is responsible for acquiring, leasing and selling real property on
1344 behalf of the state, be directly involved in any enterprise which does
1345 business with the state or be directly or indirectly involved in any
1346 enterprise concerned with real estate acquisition or development. Each
1347 member and employee of the State Properties Review Board shall file,
1348 with the board and with the [State Ethics Commission] Office of State
1349 Ethics, and each such employee of the department shall file, with the
1350 department and with the [State Ethics Commission] Office of State
1351 Ethics, a financial statement indicating all sources of business income
1352 of such person in excess of one thousand dollars, and the name of any
1353 business with which he is associated, which shall have the same
1354 meaning as defined in section 1-79, as amended by this act. Such
1355 statement shall be a public record. Financial statements for the
1356 preceding calendar year shall be filed with the commission on or
1357 before April fifteenth of each year if the employee or member held
1358 such a position during the preceding calendar year.

1359 Sec. 32. Subsection (b) of section 5-266a of the general statutes is
1360 repealed and the following is substituted in lieu thereof (*Effective July*
1361 *1, 2005*):

1362 (b) A person employed in said classified service or Judicial
1363 Department retains the right to vote as he chooses and to express his
1364 opinions on political subjects and candidates and shall be free to
1365 participate actively in political management and campaigns. Such
1366 activity may include but shall not be limited to, membership and
1367 holding of office in a political party, organization or club, campaigning
1368 for a candidate in a partisan election by making speeches, writing on
1369 behalf of the candidate or soliciting votes in support of or in opposition
1370 to a candidate and making contributions of time and money to political
1371 parties, committees or other agencies engaged in political action,
1372 except that no such employee shall engage in such activity while on
1373 duty or within any period of time during which such employee is
1374 expected to perform services for which he receives compensation from
1375 the state, and no such employee shall utilize state funds, supplies,
1376 vehicles, or facilities to secure support for or oppose any candidate,

1377 party, or issue in a political partisan election. Notwithstanding the
1378 provisions of this subsection, any person employed in the classified
1379 state service or in the Judicial Department may be a candidate for a
1380 state or municipal office, in any political partisan election. No person
1381 seeking or holding municipal office or seeking state office in
1382 accordance with the provisions of this subsection shall engage in
1383 political activity or in the performance of the duties of such office
1384 while on state duty or within any period of time during which such
1385 person is expected to perform services for which such person receives
1386 compensation from the state. The [State Ethics Commission] Citizen's
1387 Ethics Advisory Board shall establish by regulation definitions of
1388 conflict of interest which shall preclude persons in the classified state
1389 service or in the Judicial Department from holding elective office.

1390 Sec. 33. Section 3-13l of the general statutes is repealed and the
1391 following is substituted in lieu thereof (*Effective July 1, 2005*):

1392 (a) No person may, directly or indirectly, pay a finder's fee to any
1393 person in connection with any investment transaction involving the
1394 state, any quasi-public agency, as defined in section 1-120, or any
1395 political subdivision of the state. No person may, directly or indirectly,
1396 receive a finder's fee in connection with any investment transaction
1397 involving the state, any quasi-public agency, as defined in section 1-
1398 120, or any political subdivision of the state.

1399 (b) For purposes of this section:

1400 (1) "Finder's fee" means compensation in the form of cash, cash
1401 equivalents or other things of value paid to or received by a third party
1402 in connection with an investment transaction to which the state, any
1403 political subdivision of the state or any quasi-public agency, as defined
1404 in section 1-120, is a party for any services, and includes, but is not
1405 limited to, any fee paid for lobbying, as defined in subsection (k) of
1406 section 1-91, and as defined by the [Ethics Commission] Citizen's
1407 Ethics Advisory Board, in consultation with the Treasurer, in the
1408 regulations adopted under subparagraph (C)(ii) of subdivision (3) of

1409 this subsection or as prescribed by the Treasurer until such regulations
1410 are adopted.

1411 (2) "Finder's fee" does not mean (A) (i) compensation earned for the
1412 rendering of investment services, as defined in subsection (f) of section
1413 9-333n, or for acting as a licensed real estate broker or real estate sales
1414 person under the provisions of section 20-312, or under a comparable
1415 statute of the jurisdiction in which the subject property is located, or
1416 (ii) marketing fees or due diligence fees earned by the payee in
1417 connection with the offer, sale or purchase of any security or
1418 investment interest, in accordance with criteria prescribed under
1419 [subparagraph (ii) of] subparagraph (C)(ii) of subdivision (3) of this
1420 subsection, (B) compensation paid to (i) persons who are investment
1421 professionals engaged in the ongoing business of representing
1422 investment services providers, or (ii) third parties for services
1423 connected to the issuance of debt by the state, any political subdivision
1424 of the state or any quasi-public agency, as defined in section 1-120, and
1425 (C) any compensation which is so defined by the regulations adopted
1426 under subparagraph (C)(ii) of subdivision (3) of this subsection, or any
1427 compensation which meets criteria prescribed by the Treasurer until
1428 such regulations are adopted. As used in this section, "offer" and "sale"
1429 have the meaning provided in section 36b-3.

1430 (3) "Investment professional" means an individual or firm whose
1431 primary business is bringing together institutional funds and
1432 investment opportunities and who (A) is a broker-dealer or investment
1433 adviser agent licensed or registered (i) under the Connecticut Uniform
1434 Securities Act; (ii) in the case of an investment adviser agent, with the
1435 Securities and Exchange Commission, in accordance with the
1436 Investment Advisors' Act of 1940; or (iii) in the case of a broker-dealer,
1437 with the National Association of Securities Dealers in accordance with
1438 the Securities Exchange Act of 1934, or (B) is licensed under section 20-
1439 312, or under a comparable statute of the jurisdiction in which the
1440 subject property is located, or (C) (i) furnishes an investment manager
1441 with marketing services including, but not limited to, developing an
1442 overall marketing strategy focusing on more than one institutional

1443 fund, designing or publishing marketing brochures or other
1444 presentation material such as logos and brands for investment
1445 products, responding to requests for proposals, completing due
1446 diligence questionnaires, identifying a range of potential investors, or
1447 such other services as may be identified in regulations adopted under
1448 subparagraph (i) of this subparagraph and (ii) meets criteria
1449 prescribed (I) by the Treasurer until regulations are adopted under this
1450 subparagraph, or (II) by the [Ethics Commission] Citizen's Ethics
1451 Advisory Board, in consultation with the Treasurer, in regulations
1452 adopted in accordance with the provisions of chapter 54. Prior to
1453 adopting such regulations, the [Ethics Commission] Citizen's Ethics
1454 Advisory Board shall transmit the proposed regulations to the
1455 Treasurer not later than one hundred twenty days before any period
1456 for public comment on such regulations commences and shall consider
1457 any comments or recommendations the Treasurer may have regarding
1458 such regulations. In developing such regulations, the commission shall
1459 ensure that the state will not be competitively disadvantaged by such
1460 regulations relative to any legitimate financial market.

1461 (c) Any person who violates any provision of this section shall be
1462 liable for a civil penalty of not less than the amount of the fee paid or
1463 received in violation of this section and not more than three times said
1464 amount.

1465 (1) The Attorney General, upon complaint of the Treasurer or the
1466 [Ethics Commission] Citizen's Ethics Advisory Board, may bring an
1467 action in the superior court for the judicial district of Hartford to
1468 recover such penalty for a violation of this section which affects a fund
1469 of the state. Any penalty imposed under this section for a violation
1470 which affects any such fund shall be paid to the Treasurer who shall
1471 deposit such moneys in such fund.

1472 (2) Any political subdivision of the state may bring an action in the
1473 superior court to recover such penalty for a violation of this section
1474 which affects any fund under the control of such subdivision. Any
1475 penalty imposed under this section for a violation which affects any

1476 such fund shall be paid to such subdivision which shall deposit such
1477 moneys in such fund.

1478 (3) Any quasi-public agency, as defined in section 1-120, may bring
1479 an action in the superior court to recover such penalty for a violation of
1480 this section which affects any fund under the control of such agency.
1481 Any penalty imposed under this section for a violation which affects
1482 any such fund shall be paid to such agency which shall deposit such
1483 moneys in such fund.

1484 Sec. 34. (NEW) (*Effective July 1, 2005*) The Chief Court Administrator
1485 shall designate ten judge trial referees who shall be available to the
1486 Office of State Ethics to: (1) Preside over and rule at any hearing of the
1487 Office of State Ethics; and (2) make findings as to probable cause
1488 following any investigation conducted by the ethics enforcement
1489 officer of the Office of State Ethics.

1490 Sec. 35. (*Effective from passage*) There shall be an interim executive
1491 director of the Office of State Ethics appointed jointly by the Governor,
1492 the speaker of the House of Representatives and the president pro
1493 tempore of the Senate. Such interim executive director shall be
1494 responsible for overseeing the transfer of the responsibilities and
1495 duties of the State Ethics Commission to the Office of State Ethics and
1496 shall have those duties and powers described in section 3 of this act.
1497 Such interim executive director shall serve until the executive director
1498 of the Office of State Ethics is appointed by the members of the
1499 Citizen's Ethics Advisory Board.

1500 Sec. 36. (NEW) (*Effective from passage*) Notwithstanding the
1501 provisions of section 4-38d of the general statutes, not later than July 1,
1502 2005, the Commissioner of Administrative Services shall transfer all
1503 staff members of the State Ethics Commission in their current position,
1504 with existing funds allocated for such positions, to other agencies of
1505 the state. Such commissioner shall not require the Office of State
1506 Ethics, as established in section 2 of this act, to employ any former
1507 employee of the State Ethics Commission. In transferring each such

1508 staff member, the commissioner shall: (1) Transfer each staff member
 1509 to a position located not further than twenty miles from Hartford, and
 1510 (2) retain such staff member's title, grade, benefits and union
 1511 membership, as such staff member had while employed with the State
 1512 Ethics Commission. No other state employee shall be laid off as a
 1513 result of such transfers.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	1-79(d)
Sec. 2	<i>July 1, 2005</i>	1-80
Sec. 3	<i>July 1, 2005</i>	1-81
Sec. 4	<i>July 1, 2005</i>	1-81a
Sec. 5	<i>July 1, 2005</i>	1-81b
Sec. 6	<i>July 1, 2005</i>	1-82
Sec. 7	<i>July 1, 2005</i>	1-82a
Sec. 8	<i>July 1, 2005</i>	1-83
Sec. 9	<i>July 1, 2005</i>	1-84b
Sec. 10	<i>July 1, 2005</i>	1-86
Sec. 11	<i>July 1, 2005</i>	1-86d
Sec. 12	<i>July 1, 2005</i>	1-87
Sec. 13	<i>July 1, 2005</i>	1-88
Sec. 14	<i>July 1, 2005</i>	1-89a
Sec. 15	<i>July 1, 2005</i>	1-91(c)
Sec. 16	<i>July 1, 2005</i>	1-92
Sec. 17	<i>July 1, 2005</i>	1-93
Sec. 18	<i>July 1, 2005</i>	1-93a
Sec. 19	<i>July 1, 2005</i>	1-94
Sec. 20	<i>July 1, 2005</i>	1-95
Sec. 21	<i>July 1, 2005</i>	1-96
Sec. 22	<i>July 1, 2005</i>	1-96a(b)
Sec. 23	<i>July 1, 2005</i>	1-96b
Sec. 24	<i>July 1, 2005</i>	1-98
Sec. 25	<i>July 1, 2005</i>	1-99
Sec. 26	<i>July 1, 2005</i>	1-101
Sec. 27	<i>July 1, 2005</i>	1-96c
Sec. 28	<i>July 1, 2005</i>	1-96e
Sec. 29	<i>July 1, 2005</i>	1-99(a)
Sec. 30	<i>July 1, 2005</i>	4-9a

Sec. 31	<i>July 1, 2005</i>	4b-4(a)
Sec. 32	<i>July 1, 2005</i>	5-266a(b)
Sec. 33	<i>July 1, 2005</i>	3-13l
Sec. 34	<i>July 1, 2005</i>	New section
Sec. 35	<i>from passage</i>	New section
Sec. 36	<i>from passage</i>	New section

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
OSE	GF - See Below	Indeterminate	Indeterminate

Note: GF=General Fund

Municipal Impact: None

Explanation

Senate "A" strikes the bill and eliminates the associated fiscal impact. The bill abolishes the nine-member State Ethics Commission (SEC) and replaces it with a nine-member Citizen's Ethics Advisory Board and Office of State Ethics (OSE).

House "A" requires the Commissioner of Administrative Services to reassign the staff members of the State Ethics Commission in their current position, with existing funds, to other agencies in the state located not further than twenty miles from Hartford.

The responsibilities of the OSE are very similar to the SEC's except that the ethics enforcement officer of the OSE may bring an alleged ethics violation before a judge trial referee to hold a hearing to determine if probable cause exists to believe that an ethics violation was committed. If probable cause is found, the board must initiate a hearing by a different judge trial referee to determine whether there has been a violation of the Ethics Code. The Chief Court Administrator must select at least ten judge trial referees to fulfill the new ethics duties and responsibilities. The OSE would incur a minimal annual cost under this provision of the bill. In accordance with CGS Section 52-434(f), the judge trial referees are compensated at a daily rate of \$211.

Under the bill, the board appoints the executive director, subject to approval by the general assembly, for an open-ended term. The executive director then appoints the general counsel, an ethics enforcement officer, and other staff, within available appropriations. It is uncertain at this time if additional staff is needed in the OSE. If additional staff is required it will result in a cost to the OSE.

The bill divides the commission's staff into two divisions; one would handle legal matters and the other enforcement matters. Under the legal division, staff would train officials and provide public information about state ethics laws, and would issue advisory opinions and make recommendations to lawmakers. The enforcement division shall be responsible for investigating complaints. The enforcement division shall employ attorneys and investigators as necessary, within available appropriations to accomplish these responsibilities.

OLR Bill Analysis

sSB 1 (File 381, as amended by Senate "A" and House "A")*

***AN ACT CREATING THE OFFICE OF STATE ETHICS AND THE
CITIZEN'S ETHICS ADVISORY BOARD*****SUMMARY:**

This bill abolishes the nine-member State Ethics Commission (SEC) and establishes the Office of State Ethics (OSE) and a nine-member Citizen's Ethics Advisory Board as its successor. The board is located within the office, which is an independent state agency. The bill requires the governor, Senate president, and House speaker to jointly appoint an interim executive director to oversee the transfer of duties and responsibilities. It also requires the administrative services commissioner to transfer current SEC staff to other state agencies.

Once established, the OSE, like the SEC, will administer and enforce the Code of Ethics for Public Officials and the Code of Ethics for Lobbyists. Unlike current law, the bill clearly delineates the ethics responsibilities of the board as opposed to the staff of the OSE. The OSE must primarily perform the day-to-day administrative functions that, in practice, are currently performed by SEC staff, and the board must perform the functions of the current nine-member commission. The OSE must follow similar procedures as the SEC. However under the bill, a judge trial referee, rather than the new office, holds probable cause hearings and determines if probable cause exists to believe that an ethics violation was committed. Another significant difference from current law is that the bill requires the board to delay the effect of any decision for up to seven days upon the request of any aggrieved party.

The bill requires the chief court administrator to designate and make available to the OSE 10 judge trial referees to hold probable cause hearings, make probable cause determinations, and preside over violation hearings. In addition to their retirement salary, the bill authorizes these referees to receive a \$211 per diem and expenses, including mileage, for each day of service.

*Senate Amendment "A" replaces the original file with the summarized provisions.

*House Amendment "A" adds the provisions (1) transferring current SEC staff; (2) requiring the administrative services commissioner to determine the salaries of OSE mandatory staff; (3) prohibiting information the legal division receives from being the sole, rather than any, basis for an ethics complaint investigation or instigation; (4) eliminating a requirement that the enforcement division review appeals from municipal ethics agencies; and (5) requiring the ethics enforcement officer, rather than general counsel, to present allegations of ethics violations to the judge trial referee.

EFFECTIVE DATE: July 1, 2005, except for the provisions on the interim executive director and staff transfers, which are effective upon passage.

OFFICE OF STATE ETHICS

Composition

The OSE is composed of an executive director, general counsel, ethics enforcement officer, and such other staff as the executive director hires. It also consists of a nine-member Citizen's Ethics Advisory Board.

Staff. The bill requires the office to hire different people to serve as executive director, general counsel, and ethics enforcement officer. It exempts them from classified state service and requires the administrative services commissioner to determine their salaries in accordance with accepted personnel practices. The office may employ other necessary staff within available appropriations who must be in classified state service.

Under the bill, the advisory board appoints the executive director for an open-ended term. The executive director appoints the general counsel, ethics enforcement officer, and other staff. He must complete an annual written evaluation of their performance. The executive director may remove the general counsel and ethics enforcement officer in accordance with the State Personnel Act and any applicable collective bargaining agreement.

The general counsel, in consultation with the executive director,

oversees yearly training of all state personnel in the code of ethics, provides training on the code to other individuals or entities subject to the code, and makes recommendations on public education regarding ethics.

Citizen's Ethics Advisory Board. The governor appoints three of the nine board members and the top six legislative leaders appoint one each. The appointments must be made in the same manner as current SEC appointments. Beginning October 1, 2005, board members serve staggered initial terms of the same duration as the initial members of the SEC. Subsequent members all serve four-year terms. The current limitations on SEC members' terms and political activities apply to board members. Unlike SEC members, board members cannot continue in office after their terms expire. No more than five members of the board can represent the same political party.

The bill alters the number of members needed to take certain actions. Under the bill, like current law, six members constitute a quorum. However, a majority of the members present and voting, rather than a majority vote of a quorum, is necessary, under the bill, for most actions, including approving advisory opinions. Two-thirds of the board members present and voting are required to find an ethics violation and impose penalties. A minimum of three, rather than five, members may call a meeting.

Like SEC members, board members receive (1) a \$50 per diem for attending meetings and hearings and (2) reimbursement for necessary expenses.

Prohibitions Applicable to Staff and Board Members

The bill requires staff and board members to adhere to the same code of ethics as staff and members of the SEC. Additionally, the bill:

1. prohibits board members from being state employees,
2. prohibits board members and employees from making political contributions to anyone subject to the code,
3. requires board members to recuse themselves from proceedings involving the person who appointed them,

4. prohibits them from representing anyone (other than themselves) before the board within one year after service,
5. prohibits anyone who appears before the board from hiring them within that one year, and
6. prohibits board members from holding any other position in state government for one year after service.

Organization

The bill organizes the office into two divisions: legal and enforcement. The legal division, headed by the general counsel, provides information and opinions (written and verbal) to people subject to the code and to the public, gives the board legal advice on matters before it, and represents the board in matters where the board is a party. If the board needs help, it must ask the attorney general for assistance. The bill prohibits information the division receives from being used as the sole basis for investigating or instigating a complaint.

The bill requires the enforcement division, headed by the ethics enforcement officer, to (1) investigate complaints filed with the board or that the board initiates, (2) review appeals from municipal ethics agencies' decisions, and (3) advise the board on the merits of hearing each appeal. The division must employ necessary attorneys and investigators. It can refer criminal matters to the chief state's attorney.

OSE's General Duties

With a few exceptions, the bill requires the OSE to perform essentially the same duties and responsibilities as the SEC currently performs. In addition to these duties and responsibilities, the bill requires the OSE, including the board, to (1) issue, compile, maintain, and preserve informal staff letters; (2) respond to inquiries and provide advice regarding the code either verbally or through informal letters; (3) provide annual ethics training to all state employees; (4) make legislative recommendations to the General Assembly; and (5) meet at least once a month with the executive director and ethics enforcement officer.

Advisory Board's General Duties

The board performs the functions which in practice are performed by the nine-member SEC. For example, the board approves advisory opinions drafted by OSE staff; determines code violations and imposes appropriate penalties; adopts regulations, including regulations defining “major life event” and prescribing the color, size, and material for lobbyists’ badges; refers matters, as appropriate, to the chief state’s attorney; receives statements of financial interests; establishes lobbyists registration fees; and prescribes lobbyists registration and financial report forms.

Under the bill, the board must complete an annual written evaluation of the executive director’s performance. The board may remove the executive director in accordance with the State Personnel Act and any applicable collective bargaining agreement.

Ethics Complaints, Investigations, and Hearings

Under current law, the SEC must prescribe ethics complaint forms and investigate complaints of alleged ethics violations, regardless of whether they are filed by a third person or initiated by the commission. After the investigation, which may include a hearing, the commission determines if probable cause exists to believe a violation occurred. The investigation and initial determination of probable cause are confidential, unless the respondent requests otherwise. If probable cause is found, the commission holds a public hearing to determine whether there has been a violation. A judge trial referee presides over the public hearing to rule on evidentiary matters only; he does not vote on whether a violation was committed. The commission decides if a violation was committed. The commission can issue orders to correct any violation it finds or punish the violators.

Under the bill, the board prescribes the form for complaints against public officials and state employees and the OSE prescribes the form for complaints against lobbyists. The bill changes the process by (1) requiring the Citizen’s Ethics Advisory Board to adopt, as regulations, procedural rules governing probable cause hearings; (2) designating the OSE’s ethics enforcement officer as the only person authorized to conduct investigations; (3) requiring the board to give notice of complaints under the public officials code and the OSE to give notice under the lobbyist code; (4) separating the probable cause hearing from the investigation; and (5) authorizing a judge trial referee to conduct any probable cause hearing.

Probable Cause. The bill requires the judge trial referee making the probable cause determination to do so within 30 days after he receives the alleged violation from the ethics enforcement officer. However, the referee may extend the 30-day deadline for good cause. He must publish his finding within five days. However, as under current law, the ethics agency (the OSE under the bill) can prevent anyone from examining or releasing the record for up to 14 days in order to reach a stipulated agreement or settlement. The bill requires a majority of board members present and voting to approve the agreement or settlement.

If a judge trial referee finds no probable cause to believe the public officials' code was violated, the bill requires the (1) complaint and record and the OSE's investigation to remain confidential unless the respondent requests otherwise and (2) board to pay the respondent's legal expenses as determined by the attorney general or a court. Currently, the SEC pays these expenses if it finds no probable cause.

Violations. The bill requires the board to initiate a hearing to determine if a violation has been committed within 30 days after the probable cause determination and conclude it 90 days later. A judge trial referee may extend these deadlines for good cause shown. The judge trial referee who presides over the hearing must be different from the one who conducted the probable cause hearing.

The bill permits the board to impose the same penalties for code violations as the SEC does currently.

Disclosure of Information. The bill prohibits the board and OSE staff from disclosing confidential information OSE receives during an evaluation or investigation to determine possible lobbyist code violations. The same prohibition applies to OSE staff, but not the board, under the public officials code.

STATE TRIAL REFEREES

The bill requires the chief court administrator to designate and make available 10 judge trial referees to preside over and issue rulings at ethics hearings and make probable cause determinations after ethics investigations.

INTERIM EXECUTIVE DIRECTOR

The bill requires the governor, Senate president, and House speaker to jointly appoint an interim executive director to serve until the Citizen's Ethics Advisory Board appoints the OSE executive director. The interim director must oversee the transfer of responsibilities and duties of the SEC to the OSE. Additionally, the bill gives him the general powers and duties of the SEC.

STAFF TRANSFERS

The bill requires the administrative services commissioner to transfer the current SEC staff and the funds allocated for their positions to other state agencies by July 1, 2005. The commissioner must make sure that the new positions (1) are within 20 miles of Hartford and (2) retain their employees' current titles, grades, benefits, and union membership. The bill prohibits the commissioner from requiring the OSE to hire any of them. It further prohibits any state employee from being laid off as a result of the transfers.

BACKGROUND

Related Bill

sHB 6613 (File 392), also favorably reported by the Government Administration and Elections Committee, abolishes the SEC and replaces it with another commission, creates divisions within the commission, requires judge trial referees to make probable cause determinations, and requires the Department of Administrative Services to reassign SEC staff.

Legislative History

On April 27 and May 13 the Senate referred the bill (File 381) to the Judiciary and Appropriations Committees, respectively. The committees reported the bill favorably without change on May 3 and May 18, respectively.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 13 Nay 7

Judiciary Committee

Joint Favorable Report
Yea 27 Nay 11

Appropriations Committee

Joint Favorable Report
Yea 27 Nay 7